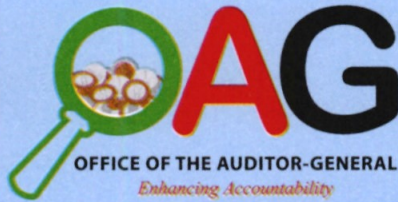


REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL

Enhancing Accountability

REPORT

OF

THE AUDITOR-GENERAL

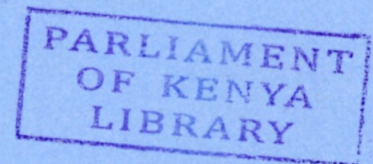
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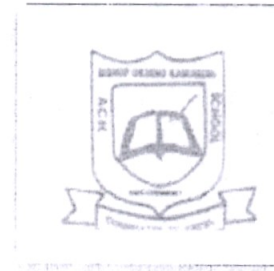
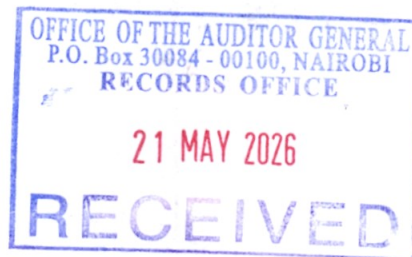
**BISHOP OKIRING KAMUNERU ACK
SECONDARY SCHOOL**

**FOR THE YEAR ENDED
30 JUNE, 2025**

BUNGOMA COUNTY

THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 02 JUN 2026	DAY: Thursday
TABLED BY:	Deputy Majority Whip Hon. Thomas Waga
CLERK-AT THE-TABLE:	Halima Ahmed





BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

30th June 2025

Transitional Financial Statements Prepared under the International Public Sector Accounting Standards (IPSAS)

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1. Acronyms and Glossary of Terms

BOM - Board of Management

CEB - County Education Boards

IPSAS - International Public Sector Accounting Standards.

KCSE -Kenya Certificate of Secondary Education

PFM -Public Finance Management

PSASB - Public Sector Accounting Standards Board

FY - Financial Year

FDSE

2. Key school information and management

a. Background Information

The school is domiciled in Kenya and its operations are governed under the Basic Education Act, 2013. It is situated in Bungoma County, Mt Elgon Sub-County.

The school is registered in 01/2001 under registration number GP/A/1550/2001 and is currently categorized as a Sub-County Public School established, owned by the Government of Kenya.

The school is a day and boarding school and had 350 number of students as at June 2025. It has single streams and 12 teachers of which 5 teachers are employed by the School Board of Management.

b. School Board of Management - Board Members

The School Board of Management established under Section 55 of the Basic Education Act, 2013; is composed of the following members:

Ref:	Name of Board Member	Designation	Date of appointment
	Mr. Duncan Chesosi	Current Chair	28/7/2025
1	Mathew Okiring	Chairman	15/6/2022
2	Moses Sikowo	Secretary - Principal	15/6/2022
3	Idewe Moses	Member	15/6/2022
4	Petronilla Omela	Member	15/6/2022
5	Lucy Ekipara	Member	15/6/2022
6	Mr Wycliffe Cheprot	Member	15/6/2022
7	Mildred Chesang	Member	15/6/2022
8	Janet Akisa	Member – Rep CEB	15/6/2022
9	Felix Cheshari	Member Rep Teachers	15/6/2022
10	Petronilla Omela & Lucy Ekipara	3 Members - Sponsor	15/6/2022
11	Patrick Sululia	Member - Community	15/6/2022
12	Wycliffe Cheprot	MemberSpecial Needs	15/6/2022

The function of the School Board of Management include:

- Promote the best interests of the School and ensure its development.
- Promote quality education for all pupils in accordance with the standards set under the Basic Education Act, 2013
- Ensure and assure the provision of proper and adequate facilities for the School
- Manage the School's affairs in accordance with the rules and regulations governing occupational safety and health.
- Advise the County Education Board on the staffing needs of the School.
- Determine cases of pupils discipline and make reports to the CEB
- Prepare comprehensive termly report on all areas of its mandate and submit the report to CEB
- Administer and manage the resources of the School
- Receive, collect and account for any funds accruing to the institution in accordance with Article 226 (1) (a) of the Constitution of Kenya, Section 81 of the Public Finance Management Act, 2012 and the Fourth Schedule para 21 and 23 of the Basic Education Act, 2013.

C) Committees of the Board

For the financial year ended 30th June 2025 the school day-day management was under the following persons:

Ref	Name of committee	Name of members	Designation
1	Executive committee	1. Mathew Okiring	Chairman
		2. Moses Sikowo	Secretary
		3. Idewe Moses	Vice chair person
		4. Petronilla Omela	Member
		5. Lucy Ekipara	Member
2	Audit team	1. Mr Wycliffe Cheprot	Chairperson
		2. Ven Idewa Moses	Member
		3. Mildred Chesang	Member
		4. kwalia Shaban	D/principal
		5. idewa Moses	Vice Chairperson
		6. Emily Bukelembe	Bursar
3	Finance Procurement and general Purposes committee	1. Mathew Okiring	Chairperson
		2. Moses Sikowo	Secretary
		3. Jeal Chebet	Member
		4. Patrick Sululia	Member
		5. Emily Bukelembe	Member
4	Academic committee	1. John Shikuku Kiboi	Member
		2. Moses Sikowo	Principal

BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL
Annual Report and Financial Statement for the year ended 30th June 2025

		3. Alex Rasto	DOS secretary
		4. Hillary Maitui	Teacher
		5. Lucy Ekipara	Member
		6. Janet Akisa	Member
5	SIC (DEV.COMMITTEE)	Rev Moses Idewa	
		Moses Sikowo	
6	Disciplinary/welfare committee	Rueben K. Cheprot	Chairman
		Caleb Boit	Member
		Mildred Chesang	Member
		Janet Opeto	Member
7	School Operation Management	Moses Sikowo	Principal
		John Borter	D/principal
		Emily Bukelembe	Bursar

d)School Operation Management

For the financial year ended 30th June 2025 the school day-day management was under the following persons:

Ref	Designation	Name	Identification
1.	Principal	MOSES SIKOWO	419786
2.	Deputy Principal	JOHN BORTER	347194
3.	School Bursar	EMILY BUKELEMBE	N/A
4.	Others (specify)		

e) School Contacts

Post Office Box: 37 Kapsokwony

TELEPHONE: 0710501741

Email: Bbisokiringkam sec sch @gmail.com

TWITTER:

f) School Bankers

The following school operated 07 numbers of bank accounts in the following banks: (Ensure all accounts including CDF accounts are included)

Name of the bank: Kenya Commercial Bank (KCB)

BRANCH- KIMILILI

1) School fund (saving)-1109508859

2) Bus A/C- 1272310248

Name of the bank: Co-Operative Bank

Branch: KIMILILI

1) Tuition- 01139049955600

2) Operation- 01139049955601

3) Infrastructure- 01139049955602

4) School fund- 1109508859

Postal Address: 37 Kapsokwony

g. Independent Auditors

Office of the Auditor General

Anniversary Towers, University Way

P.O BOX 30084

GPO 00100

Nairobi, Kenya

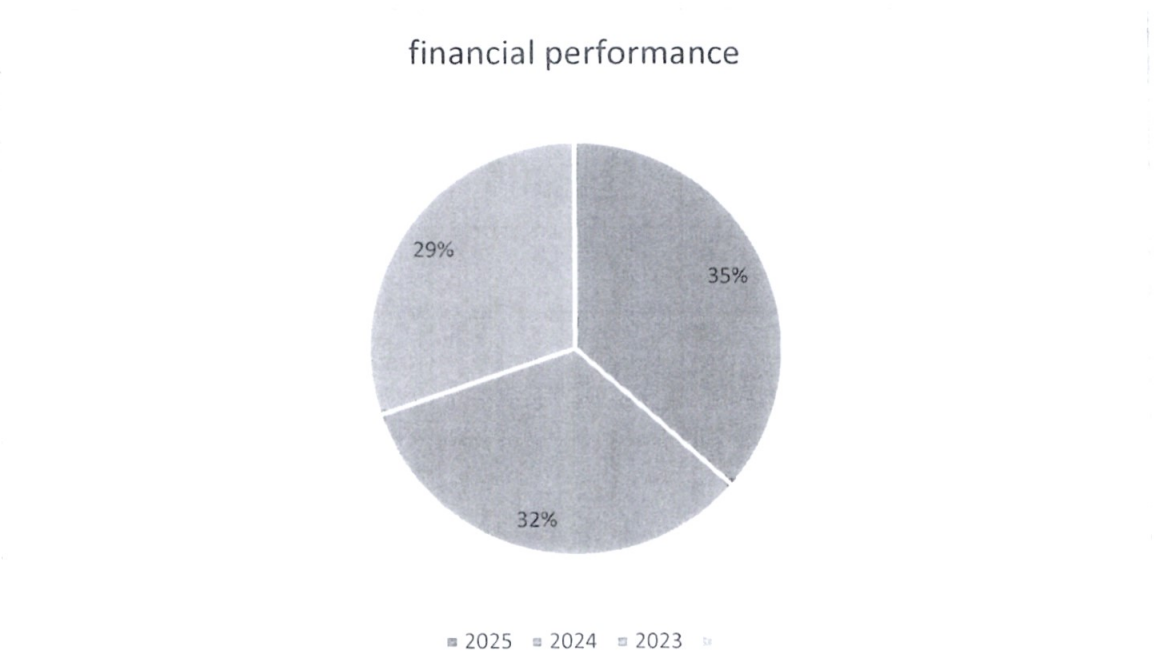
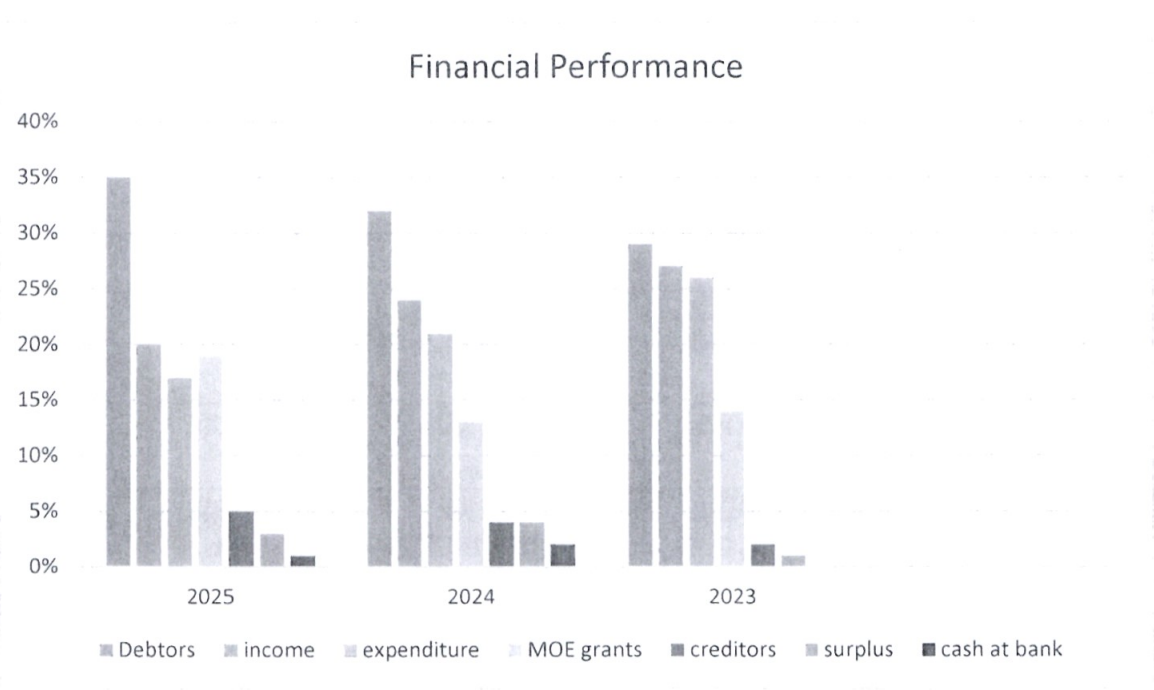
3. Summary Report of Performance Of The School

a) Financial Performance

Particulars	2025	2024	2023	2022
Surplus/ deficit	1,128,311	1,399,786	261,501	(180,995)
MOE grants	3,721,487	4,609,678	4,074,727	6,460,237
Growth of income	7,599,862	8,851,211	9,669,103	12,680,344
Growth of expenditures	6,471,550	7,451,428	9,407,602	12,861,340
Movement of debtors	13,504,861	11,702,556	10,534,530	10,122,719
Movement of creditors	1,705,045	1,345,635	857,700	933,595
Movement of cash/ bank balances	481,651	796,234	76,539	302,744

Financial performance Percentages

Particulars	2025	2024	2023	2022
Surplus/ deficit	3%	4%	2%	0%
MOE grants	19%	13%	14%	15%
Growth of income	20%	24%	27%	29%
Growth of expenditures	17%	21%	26%	30%
Movement of debtors	35%	32%	29%	23%
Movement of creditors	5%	4%	2%	2%
Movement of cash/ bank balance	1%	2%	0%	1%



BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL
Annual Report and Financial Statement for the year ended 30th June 2025

b. Teacher Student Ratio

1:37 ,1 teacher representing 37 students. 6 teachers are employed by the Teachers Service Commission and 3 teachers employed by the Board of Management.

c) Mean Score in the 2025 KCSE

YEAR	MEAN SCORE	CANDIDATES ABOVE C+
2024	3.328	5
2023	2.32	0
2022	2.71	0

There was a slight improvement between 2025 and 2024 but there was a drop between 2023 and 2022

d) Number of candidates

Year	Capacity
2024	58
2023	50
2022	62

e) Capacity of the school 2025

	2025	2024
Capacity	224	330
Dormitory	1	1
Toilets	26 (14 girls, 8 boys, 4 teachers)	26 (14 girls, 8 boys, 4 teachers)

BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL
Annual Report and Financial Statement for the year ended 30th June 2025

f) Development projects carried out by the school:

Project	Source of fund	status	Initial cost	Amount spent (Kshs)	Expected completion time
2 Class rooms Construction	MOE	CLEARED	1,777,992	1,777,992	2021/2022
3 door toilet	MOE	cleared	498,490	498,490	2022/2023
8 door toilet	MOE	cleared	895,430	895,430	2023/2024
Classroom renovation	MOE	cleared	1,200,470	-	2024/2025


MOSES SIKOWO
School Principal

PRINCIPAL
BISHOP OKIRING SEC. SCHOOL
P.O. Box 37 - 50203, KAPSOKWONG

4. Statement of School Management Responsibility

Section 81 (1) of the Public Finance Management Act, 2012 requires that at the end of each financial year, each National Government School shall prepare financial statements in respect of that school. Section 8 (3) requires the financial statement so prepared to be in a form that compiles with relevant accounting standards as prescribed by the Public Sector Accounting Standards as prescribed by the Public Standard s Board (PSASB) of Kenya from time to time.

Schedule 4 (section 23) of the Education Act, 2013 requires the Board of Management of a public institution of basic education to be kept proper all proper books and records f accounts of the income, expenditure and assets of the institution.

The Board of Management of Bishop Okiring ACK Kamuneru accepts the responsibility for the schools financial statement, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS)

The Board of Management is of opinion that the schools financial statements give a true and fair view of the state of the schools transaction during the financial year 30th June 2025 and of the schools financial position as at that date

.....
.....

Name: Duncan Chesosi

Designation: Chair BOM

Date: 19.5.2026

.....
.....

Name: Moses Sikowo

Designation: Secretary BOM/ Principal

Date: 19.5.2026

.....
.....

Name: Emily Bukelembe

Designation: Finance officer/ bursar

Date:

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL FOR THE YEAR ENDED 30 JUNE, 2025 – BUNGOMA COUNTY

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of Bishop Okiring Kamuneru ACK Secondary School set out on pages 1 to 22, which comprise of the statement of assets and liabilities as at 30 June, 2025, and the statement of financial

performance, statement of cash flows and statement of budgeted versus actual amounts, for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of Bishop Okiring Kamuneru ACK Secondary School as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis (including the transitional provisions permitted under IPSAS 33) and comply with the Basic Education Act, 2013 and Public Finance Management Act, 2012.

Basis for Qualified Opinion

1. Unsupported Balances in the Financial Statements

The statement of financial performance reflects Kshs.7,599,862 and Kshs.6,471,551 in respect of total receipts and payments respectively. However, the supporting schedules and ledgers were not provided for audit.

Further, the statement of budgeted versus the actual amounts reflects total actual receipts on comparable basis as Kshs.759,987 whereas the recalculated amount is Kshs.7,599,861 resulting in an unexplained variance of Kshs.6,839,874.

In the circumstances, the classification, accuracy, completeness, presentation and disclosure of the financial statements could not be confirmed.

2. Inaccuracies in Capitation Grants

The statement of financial performance reflects Government grants for tuition and operations amounts of Kshs.709,674 and Kshs.2,561,813 respectively as disclosed in Notes 1 and 2 to the financial statements. However, review of NEMIS capitation disbursements made to the school and the amount receipted by the school revealed an amount of Kshs.708,769 and Kshs.3,001,813 for tuition and operations respectively, resulting in unexplained cumulative variance of Kshs.439,095.

In the circumstances, the accuracy and completeness of the capitation grants for tuition and operations amounting to Kshs.3,271,487 could not be confirmed.

3. Unsupported Cash and Cash Equivalents

The statement of assets and liabilities reflect cash and cash equivalents balance of Kshs.481,650 as disclosed in Note 10 to the financial statements. However, the bank

balances were not supported by bank reconciliation statements and board of survey report.

Further, the certificate of bank balances and bank statements for tuition account with a balance of Kshs.3,369 were not provided for audit.

In the circumstances, the accuracy, completeness and existence of cash and cash equivalents balance of Kshs.481,650 could not be confirmed.

4. Unsupported Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.13,504,861 as disclosed in Note 13 to the financial statements. However, the relevant schedules, supporting debtors' statements and their aging analysis were not provided for audit.

In the circumstances, the accuracy and completeness of the accounts receivable balance of Kshs.13,504,861 could not be confirmed.

5. Unsupported Accounts Payable

The statement of assets and liabilities reflect accounts payable balance of Kshs.1,705,044 as disclosed in Note 14 to the financial statements. However, the detailed movement schedule indicating the particulars of creditors, opening balances, purchases, payments and the closing balance were not provided for audit.

In the circumstances, the accuracy, existence and completeness of the accounts payable balance of Kshs.1,705,044 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Bishop Okiring Kamuneru ACK Secondary School Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of budgeted versus actual amounts reflects total receipts budget and recalculated actual on a comparable basis of Kshs.13,683,200 and Kshs.7,599,861 respectively, resulting in an under-funding of Kshs.6,083,339 or 44% of the budget. However, the School spent Kshs.6,471,550 against recalculated actual receipts of Kshs.7,599,861 resulting in under-utilization of Kshs.1,128,311 or 15% of the actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Significant Exemptions by PSASB in the Financial Reporting Template

The financial statements have been prepared using the FY 2024/25 reporting template issued by the Public Sector Accounting Standards Board (PSASB). As communicated by PSASB on 25 February 2026, the template was designed to facilitate a phased transition to accrual-based IPSAS for public secondary schools and, therefore, does not include certain statements and disclosures required under the full IPSAS transition. These omissions include the Opening Statement of Financial Position, the Statement of Changes in Net Assets/Equity, detailed disclosures of transitional provisions under IPSAS 33, and a reconciliation of budgeted amounts to actual accrual amounts. The absence of these elements arises from limitations inherent in the prescribed template and does not constitute non-compliance on the part of the School.

Other Information

The Management is responsible for the Other Information set out on page iii to xi which comprise of Key School Information and Management, Summary Report of Performance of the School and Statement of School Management Responsibility. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the School's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Transfer Infrastructure Funds from the Operations Bank Account

The School received operations capitation grants of Kshs.3,001,813 from the Ministry of Education credited in the operations bank account. Included in the amount is Kshs.870,000 which was to be transferred to infrastructure bank account for maintenance and improvement of the School's facilities. However, only Kshs.450,000 was transferred to infrastructure account leaving a balance of Kshs.420,000 as at 30 June, 2025. This was contrary to the Ministry of Education Circular Ref. No: MOE.HQS/3/13/3/3 dated 16 June, 2021 which directed that infrastructure grants as well as maintenance and improvement funds should be transferred to the school infrastructure account fifteen (15) days upon receipt of the funds in the operations account.

In the circumstances, Management was in breach of the Government Guidelines.

2. Irregular Transfer of Funds to Kenya Secondary Schools Heads Association

The statement of financial performance reflects operation payments of Kshs.3,504,020 as disclosed in Note 7 to the financial statements. Included in the expenditure is an amount of Kshs.50,000 transferred to Kenya Secondary School Heads Association (KESSHA). However, KESSHA is a welfare organization that draws its membership from School Principals only. The organization is not defined in Government Funding system and there is no assurance that it has implemented effective, efficient, and transparent financial management and internal control systems to manage the funds transferred by schools.

In the circumstances, value for money transferred to KESSHA amounting to Kshs.50,000 could not be confirmed.

3. Non-Compliance with the Public Sector Accounting Standards Board Reporting Requirements

The financial statements presented for audit did not include all information provided in the format prescribed and published by the Public Sector Accounting Standards Board (PSASB) as follows:

- i. The table of contents reflected statement of receipts and payments instead of statement of financial performance.
- ii. The statement of budgeted versus actual amounts did not have commentary on the significant under/overutilization of the budget. In addition, the final budget column did not include values under miscellaneous income as well as the total income.
- iii. The Note on progress on follow up of Auditor recommendations was omitted from the financial statements.
- iv. Annex 1 and 2 on analysis of pending accounts payable and summary of fixed assets register respectively were not detailed.

Further, lack of relevant information may affect users' reliance on the financial statements for decision making.

In the circumstances, Management did not comply with the PSASB guidelines.

4. Late Submission of Financial Statements for Audit

During the year under review, the Management submitted financial statements to the Auditor-General on 30 September, 2025 instead of the statutory deadline of 31 August, 2025. This was contrary to The National Treasury Circular AG.3/88 Vol. VII (41) dated 4 December, 2024 which required accounting officers to submit their financial statements by 31 August, 2025 and not the initial statutory deadline of 30 September and in compliance with Section 81 of the Public Finance Management Act, 2012 on preparation of the financial statements.

In the circumstances, Management was in breach of the law.

5. Human Resource Management Inefficiencies

During the year under review, Management did not provide the approved staff establishment and terms and conditions of service to confirm the recruitment needs. This was contrary to Section 13 of the Fourth Schedule of the Basic Education Act, 2013 which requires the Board of Management to employ its staff, upon such terms and conditions of service as the County Education Board may determine.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

1. Long Outstanding Accounts Receivable

The statement of assets and liabilities reflects accounts receivable balance of Kshs.13,504,861 as disclosed in Note 13 to the financial statements. Included in the balance is an amount of Kshs.10,489,780 which had been outstanding for more than two (2) years. However, there was no policy on impairment of long outstanding fees arrears casting doubt on full recoverability of the accounts receivables balance.

In the circumstances, the existence of effective mechanisms for debt management could not be confirmed.

2. Lack of Information Communication Technology (ICT) Facility

Review of the ICT environment revealed that the School does not have an established ICT set up. Further, it has not automated the accounting function and other critical operations which might lead to data manipulation and hence the accuracy, reliability and integrity of the data processed may be put in doubt.

In the circumstances, the effectiveness of the internal controls, risk management and governance could not be confirmed.

3. Weaknesses in the Board of Management

During the audit held in March 2025, the School Management did not provide for audit the appointment and acceptance letters of the Board of Management. Further, as per the Fourth Schedule of the Basic Education Act, 2013, the Board of Management was to constitute five committees, though, the list of committee members and evidence of meetings conducted, board calendar or workplan outlining the activities for the year were not provided for review.

In the circumstances, the effectiveness of the governance mechanism at the School could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and Board of Management

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

The Board of Management is responsible for overseeing the School's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards for Supreme Audit Institutions (ISSAIs). The ISSAIs requires that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

28 May, 2026

6. Statements of Financial Performance for the year ended 30th June 2025

Description Of Vote Head	Note	2024/2025	2023/2024
		Kshs	Kshs
Receipts			
Government grants for tuition	1	709,674	749,737
Government grants for operations	2	2,561,813	3,031,941
Government Grants for infrastructure	3	450,000	828,000
School fund income- parents' contributions	4	3,843,374	3,855,033
Miscellaneous incomes	5	35,000	386,500
Total Receipts		7,599,862	8,851,211
Payments			
Tuition	6	553,637	887,776
Operations	7	3,504,020	2,776,056
Infrastructure	8	96,702	585,360
Boarding and school fund	9	2,317,192	3,202,233
Total payments		6,471,551	7,451,428
Surplus/Deficit		1,128,311	1,399,786

The school's financial statements were approved on 19.5.26 and signed by:

Emod For

Name: Duncan Chesosi

Chair BOM

Date: 20.5.2026

Moses Sikowo

Name: Moses Sikowo
School Principal/ Secretary to
BOM

Date: 19.5.2026

Emily Bukelembe

Name: Emily Bukelembe
Bursar/ Finance Officer

Date:

7. Statements of Assets and Liabilities as at 30th June 2025

Description	Note	2024/2025	2023/2024
Cash and Cash Equivalent			
Bank balances	10	481,650	796,234
Cash balances	11		
Short term investment	12		
Total cash and cash equivalent		481,650	796,234
Accounts receivables	13	13,504,861	11,702,556
Total financial assets		13,986,511	12,498,790
Financial liability			
Accounts payable	14	(1,705,044)	(1,345,635)
Net financial assets		12,281,467	11,153,155
Accumulated fund b/fwd.	15	11,153,155	9,753,369
Surplus /deficit for the year		1,128,311	1,399,786
Net Assets		12,281,467	11,153,155

The school's financial statements were approved on 19/5/26 and signed by:

Gnab for

Name: Duncan Chesosi

Chair BOM

Date: 20.5.2026

Moses

Name: Moses Sikowo
School Principal/ Secretary to BOM

Date: 19.5.2026

Emily

Name: Emily Bukelembe

Bursar/ Finance Officer

Date:

8) Statement of cash flows for the year ended 30th June 2025

Description	Note	2024/2025	2023/2024
		Kshs	Kshs
Cash from Operating Activities			
Receipts			
Government grants for tuition		709,674	749,737
Government grants for operations		2,561,813	3,031,941
Government grants for infrastructure		450,000	828,000
School fund income- parents contributions/ fees		2,041,069	2,716,132
Other income		35,000	386,500
Total receipts		5,797,557	7,712,310
Payments			
Cash outflows for tuition		707,487	202,226
Cash outflows for operations		2,889,760	2,924,086
Cash outflows Boarding/lunch and school fund payments		2,418,192	3,855,943
Total payments		6,015,439	6,982,255
Net cash inflow/outflow from operating activities		(217,882)	730,055
Cash flow from investing activities			
Acquisition of assets		(96,702)	(10,360)
Proceeds from sale of Assets		-	-
Proceeds from investments		-	-
Purchase of investments		-	-

BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL
Annual Report and Financial Statement for the year ended 30th June 2025

Net cash inflow/outflows from investing activities		(96,702)	(10,360)
Cash flow from Financing activities			
Proceeds from borrowings/ loans	18	-	-
Repayment of principal borrowings		-	-
Net cash inflow/outflow from financing activities		-	-
Net increase/decrease in cash and cash equivalents		(314,584)	719,695
Cash and cash equivalent at beginning of the FY		796,234	76,539
Cash and cash equivalent at end of the FY		481,650	796,234

The school's financial statements were approved on 19/5/2025 and signed by:


.....

Name: Duncan Chesosi

Chair BOM

Date: 20-5-2025


.....

Name: Moses Sikowo
School Principal/ Secretary to
BOM

Date: 19.5.2025


.....

Name: Emily Bukelembe
Bursar/ Finance Officer

Date:

9) Statement of budget versus the actual amounts for the year ended 30th June 2025

Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Receipts					
(1) Capitation Grant on Tuition					
Reference Materials	-				
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	1,243,200		1,243,200	709,674	57%
Exams And Assessment					
Sub-total	1,243,200		1,243,200	709,674	57%
(2) Capitation Grant on Operations					
Personnel Emoluments	2,820,000		2,820,000	2,124,338	75%
Repairs And Maintenance					
Local Transport / Travelling					
Electricity And Water					
Medical	600,000		600,000	262,550	44%
Administration Costs					
Activity	450,000		450,000	174,925	39%

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Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Gratuity					
Subtotal	3,870,000		3,870,000	2,561,813	66%
3) FDSE for infrastructure	1,500,000		1,500,000	450,000	30%
Maintenance & Improvement MoE					
M&I parents' contribution					
Economic Stimulus Programs					
Transition Infrastructure Grants					
Sub-total	1,500,000		1,500,000	450,000	30%
(4) Fees Charged on Parents	3,388,850		3,388,850	3,388,850	100%
Personnel Emoluments					
Others	3,218,650		3,218,650	450,524	14%
Local Transport / Travelling					
Electricity And Water					
Medical					
Administration Costs					
Activity	462,500		462,500	4000	0.9%
SMASSE					
Sub-total	7,070,000		7,070,000	3,843,374	54%

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Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
5) Miscellaneous Income					
Loans / Borrowing					
Rent income					
Income From Farming Activities					
Insurance Compensation					
Income From Posho Mill					
Income From Bus Hire	35,000			35,000	0%
Fee For Hire of Ground and Equipment					
Interest Income					
Income From Any Other Investment					
Total Income	13,683,200			759,987	
(6) Expenditure For Tuition					
Textbooks					
Reference Materials					
Exercise Books					
Laboratory Equipment					
Internal Exams					
Teaching / Learning Materials	1,243,200		1,243,200	551,092	44%

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Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Chalks					
Exams And Assessment					
Teachers Guides					
Administration Costs					
Bank Charges				2,545	0%
Sub-total	1,243,200		1,243,200	553,637	44%
(7) Expenditure For Operations					
Personnel Emoluments					
Others	2,820,000		2,820,000	3,145,339.95	12%
Local Transport / Travelling					
Electricity, Water and Conservancy					
Medical	600,000		600,000	88,100	15%
Administration Costs					
Activity Expenses	450,000		450,000	270,580	60%
Gratuity					
SMASSE					
Sub-total	3,870,000		3,870,000	3,504,019.95	91%
(8) Expenditure For infrastructure					
Construction of classrooms	1,500,000		1,500,000	93,677	6%

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Receipt/Expenses Item	Original Budget	Adjustments	Final Budget	Actual On Comparable Basis	% Of Utilization
	a	b	c=a+b	D	e=d/c %
	Kshs	Kshs	Kshs	Kshs	Kshs
Construction of LAB					
Construction of DORMS					
Purchase of furniture					
Bank charges				3025	0%
Sub –total	1,500,000		1,500,000	96,702	6%
(9) Expenditure For school fund/lunch/boarding	3,388,850		3,388,850	1,869,145	55%
Activity	462,500		462,500	-	
Others	3,218,650		3,218,650	448,046	14%
sub-total	7,070,000		7,070,000	2,317,191	33%
TOTAL	13,683,200		13,683,200	6,471,550.45	47%

10. Significant Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

Statement of Compliance

The financial statements have been prepared in accordance with the PFM Act and International Public Sector Accounting Standards (IPSAS). The entity has taken advantage of the transitional provisions under IPSAS 33, and therefore, these first/second/third/year financial statements are transitional financial statements. This is the first year of transition for the school which recognizes financial assets and liabilities. Financial assets include cash and cash equivalents and receivables while financial liabilities include payables.

The following elements of the financial statements have not been recognized as the school has taken advantage of the transition provisions outlined in IPSAS 33.

- a) Inventory (IPSAS 12): The school expensed its inventory during the year but will consider its inventories as current assets and adopt IPSAS 12 in the subsequent financial year (2025/2026)
- b) PPE (IPSAS 17/45): The school has not introduced its historical property, plans and equipment in the financial statements. The school plans to do valuation of its assets and will report on it in the financial year 2026/2027

Basic of Preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period on an accrual basis unless otherwise specified (for example, statement of cash flow). Under an accrual basis, revenues are recognized when rights to assets are earned or levied rather than when cash is received and expenses are recognized when obligations are accrued rather than when they are settled. The financial are recognized when prepared and presented in Kenya Shillings to the nearest shillings have been consistently applied to all the years presented.

2. Recognition of revenue and expenditure

The school recognizes all revenue from various sources when earned and all expenses when incurred. The capitation grants include recurrent and development grants. Recurrent capitation are recognized in the statement of financial performance while development grants are recognized in the statement of financial position after meeting the revenue recognition criteria. The conditional grants will be recognized as revenue upon fulfillment of the set conditions.

3. In-kind contributions

In-kind contributions are donations that are made to the *school* in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment, or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the *school* includes such value in the statement of financial performance both as revenue and as expenditure in equal and opposite amounts; otherwise, the contribution is not recorded.

4. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank account balances include amounts held at various financial institutions at the end of the financial year.

5. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. Accounts receivables also include school fees billed to parents for services rendered but not paid. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

6. Accounts Payable

For the purposes of these financial statements, deposits, and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending the fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. Payables also include expenditures incurred for the purchase of goods, works and services that have been rendered and not settled. This is an enhancement to the cash accounting policy adopted for public secondary schools. Other liabilities are disclosed in the financial statements.

7. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the school fixed asset register a summary of which is provided as a memorandum to these financial statements.

8. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The *school's* budget was approved by the School Board of Management. A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

9. Comparative figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

10. Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2025.

11. Notes to the financial statements

1. Government Grants for Tuition

Description	2024/2025	2023/2024
	Kshs	Kshs
Reference Materials		
Exercise Books		
Laboratory Equipment		
Internal Exams		
Teaching / Learning Materials	709,674	749,737
Others (<i>specify</i>)*		
Total	709,674	749,737

2. Government Grants for Operation

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments		
Repairs And Maintenance		
Local Transport / Travelling		
Electricity And Water		
Medical	262,550	311,093
Administration Costs		
Activity	174,925	231,732
Other Vote Heads (<i>specify</i>)*	2,124,338	1,968,534
Total	2,561,813	3,031,941

3. Government Grants for Infrastructure

Description	2024/2025	2023/2024
	Kshs	Kshs
Maintenance & Improvement	450,000	828,000
Transition infrastructure grants		
Administration Block		
Economic stimulus grants		
Other (specify)(NGCDF and County govt.		
Total	450,000	828,000

4. School fund income-parents contribution/ fees

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel emoluments		205,599
Repairs and maintenance		
Local transport / travelling		28,133
Electricity and water		
Medical		
Administration costs		225,301
Activity	4000	7,150
Fee on Boarding Equipment and stores	3,388,850	3,388,850
PA Levies*		
Others (specify)	450,524	
Total	3,843,374	3,855,033

5. Miscellaneous income

Description	2024/2025	2023/2024
	Kshs	Kshs
Rent Income		
Income From Farming Activities		
Insurance Compensation		
Income From Posho Mill		
Income From Bus Hire	35,000	345,200
Fee For Hire of Ground and Equipment		
KNEC exams		41,300
Interest Income		
Dividends Income		
Loans/Borrowings*		
Other Income (<i>specify</i>)*		
Total	35,000	386,500

6. Payment for tuition

Description	2024/2025	2023/2024
	Kshs	Kshs
Exercise Books		
Textbooks		
Reference materials		
Laboratory Equipment		390,000
Teaching / Learning Materials	551,092	486,826
Exams And Assessment		10,000
Teachers Guides		

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Bank Charges	2,545	950
Total	553,637	887,776

7. Payments for operation

Description	2025	2024
	Kshs	Kshs
Personnel Emoluments		1,720,081
Service Gratuity		523,255
Administration Cost		
Repairs And Maintenance & Improvements		
Local Transport / Travelling		20,940
Electricity And Water		182,000
Medical	88,100	25,000
Activity Expenses	270,580	304,780
Insurance Cost		
Others (specify)	3,145,340	
Total	3,504,020	2,776,056

8. Infrastructure

Description	2024/2025	2023/2024
	Kshs	Kshs
Construction of toilets		585,000
Construction of laboratory		
Construction of dormitory		
Purchase of furniture		
Purchase of equipment		
Purchase of apparatus	93,677	

BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL
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Bank charges	3,025	360
Others (specify)		
Total	96,702	585,360

9. Boarding and school fund payments

Description	2024/2025	2023/2024
	Kshs	Kshs
Personnel Emoluments		204,550
Service Gratuity		
Repairs And Maintenance & Improvements		
Local Transport / Travelling		22,000
Electricity And Water		
Medical Expenses		
Administration Costs		445,290
Lunch Programme	1,869,145	2,067,234
Bank Charges		(1)
Expenses On Income Generating Activities**		76,160
Fee On Boarding Equipment and Stores		
Bus hire		345,700
Insurance Cost (<i>Life Property</i>)		
Loan Principal Repayment		
Loan Interest Repayment		
KNEC		41,300
PA expenses		
Others (specify)	448,047	
Total	2,317,192	3,202,233

10. Bank accounts

BISHOP OKIRING KAMUNERU ACK SECONDARY SCHOOL
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Account Name & Currency	Status	Bank Account Number	2025	2024
	Active/Dormant		Kshs	Kshs
Tuition Account	Active	01139049955600	3,369	1,182
Operations Account	Active	01139049955601	1,335	114,282
School Fund Account/Boarding	Active	1109508859	1,743	148,866
Infrastructural Account	Active	01139049955602	475,204	531,906
Total			481,650	796,234

11. Cash in hand

Description	2025	2024
	Kshs	Kshs
Notes and Coins	-	-
Total	-	-

12. Short term investments

Description	2025	2024
	Kshs	Kshs
Cooperative Shares	dormant	
Treasury Bills	dormant	
Fixed Deposit accounts	dormant	
Other Investments	dormant	
Total		

13. Accounts Receivables

Description	2024/2025	2023/2024
	Kshs	Kshs
Fees Arrears	13,504,861	11,702,556
Other Non-Fees Receivables		
Salary Advances (list/schedule attached)		
Imprest (list/schedule attached)		
Rent arrears (list/schedule attached)		
Total	13,504,861	11,702,556

13 b. Ageing Analysis of Accounts Receivables

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	2025	% of the total	2024	% of the total
Less than 1 year	1,951,020	14%	1,212,776	10%
Between 1- 2 years	1,064,061	8%	1,391,056	12%
Between 2-3 years	1,391,056	10%	2,261,749	19%
Over 3 years	9,098,724	68%	6,836,975	56%
Total (should tie to note 13 a)	13,504,861	100%	11,702,556	100%

14. Accounts Payable

Description	2024/2025	2023/2024
	Kshs	Kshs
Trade Creditors (See Ageing Below and Appendix 1)	1,633,714	1,274,305
Prepaid Fees	71,330	71,330
Retention Monies		
Unpaid salaries and statutory deductions		
Caution money		
Other payables (<i>specify</i>)		
Total	1,705,044	1,345,635

14 a. Ageing Analysis of accounts payable

Description	2024/2025		2023/2024	
	Kshs		Kshs	
	2025	% of the total	2024	% of the total
Less than 1 year	1,054,260	65%	1,166,990	92%
Between 1- 2 years	472,140	29%	107,315	8%
Between 2-3 years	107,314.50	6%		%
Over 3 years		%		%
Total (should tie to note 14)	1,633,714.45	100%	1,274,305	100%

15. Fund balances brought forward

Description	2024/2025	2023/2024
	Kshs	Kshs
Bank Balances	796,234	76,539
Cash Balances		
Short Term Investments		
Receivables	11,702,556	10,534,530
Payables	(134,563)	(857,700)
Total	11,153,155	9,753,369

Other important disclosure notes

IPSAS Cash Standard encourages an entity to disclose accrual related information in relation to an entity's assets and liabilities. The notes outlined below are disclosure notes in relation to the school's non- financial assets and liabilities.

Non-current Liabilities Summary

Description	2025	2024
	Kshs	Kshs
Bank Loans	-	-
Outstanding Leases	-	-
Hire Purchase	-	-
Gratuity And Leave Provision	-	-
Others (specify)	-	-
Total	-	-

Biological assets

Description	Numbers	2025	2024
		Kshs	Kshs
Cattle	3	150,000	100,000
Goats			
Trees			
Coffee Or Tea Plantation			
Poultry			
Others (specify)	2 donkeys	20,000	10,000
Total	5	170,000	110,00

Annexes

Annex I - Analysis of Pending Accounts Payable

Supplier Of Goods Or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2025	Outstanding Balance Comparative 2024	Comments
	A	b	C	d=a-c		
	Kshs	Kshs	Kshs	Kshs	Kshs	
Construction Of Buildings					579,454	
Sub-Total						
Supply Of Goods						
Learning and teaching materials					113,000	
Food stuff					84,000	
Sub-Total					197,000	
Supply Of Services						
BOM teachers/non-teaching staff					428,790	
Others					348,470	
Bus repair					80,000	
Sub-Total					857,260	
Grand Total					1,633,714	

Annex 2 – Summary of Fixed Assets Register

Asset Class	Historical Cost b/f (Kshs) 1 st July 2024	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost c/f (Kshs) 30 th June 2025
Land				
Buildings And Structures				13, 273,920
Motor Vehicles				6000,000
Office Equipment, Furniture And Fittings				
Textbooks				
ICT Equipment				
Tools And Apparatus				
Other Machinery And Equipment				
Heritage And Cultural Assets				
273				
Total				19,273,920

(The school should ensure that a detailed fixed assets register is maintained).